

**English Sports Development Trust Limited (formerly Caversham
Lakes Trust Limited)**

Company number 4290188

[A subsidiary company of The English Sports Council]

Annual Report and Accounts

2014-2015

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Lakes Trust Limited)**

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Presented to Parliament pursuant to Article 6(2)(b) of the Government Resources and
Accounts Act 2000 (Audit of Non-profit-making Companies) Order 2009

(SI 2009/476)

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The English Sports Development Trust Limited (formerly Caversham Lakes Trust Limited) is a company limited by guarantee whose sole member and parent body is the English Sports Council ('ESC'). The Company changed its name and adopted new articles of association on 24 July 2014, with the purpose of delivering the commercial contracts related to the media buying arrangements for the Women's Marketing Campaign ('This Girl Can') launched by the ESC. The campaign is one of major significance to the ESC and is designed to encourage the increased participation in sport and exercise of women and girls.

A Parent/Subsidiary Memorandum between the Company and the ESC, effective from 1 August 2014, provides the operating and governance framework between the two entities.

A new Board of Directors (details of whom can be found on page 3), chaired by Charles Reed, was appointed to monitor the progress of the campaign, to review and implement the media planning and buying contracts and to provide reports back to the ESC.

The Chairman has accountability for the management of the Company's operations. To facilitate effective operations, the Chairman delegates authority for the day-to-day administration to officers of the ESC through a Service Level and Agency Agreement (SLA). This means that the

Company has no employees.

The Company's activities are entirely funded by a Lottery grant from the ESC Lottery fund. In order for the ESC Lottery fund to provide funding to the Company, approval from the Secretary of State for Culture, Media and Sport under section 27 of the National Lottery etc. Act 1993 was requested and granted to ESC in July 2014. In September 2014 ESC awarded the Company £7.2 million of Lottery funding to further its purpose and support its activities.

The media planning and buying strategy of the campaign was to place advertisements where women were most likely to view them, especially with other women. As a result the first phase of the advertising element of the campaign went live on January 12, 2015 when a 90 second version of the television advertisement was broadcast during Coronation Street on ITV1.

Over the next six weeks television advertisements of different lengths (90 secs, 60 secs and 30 secs) were broadcast during programming with high female audiences. Adverts were also shown in cinemas screening films with high female audiences and during video on demand (VOD) programming. The posters (both print and digital) appeared in shopping centres, railway stations and bus stops across England as well as primetime terrestrial television.

The first phase of the advertising delivered a significant return on investment exceeding all the targets set for reaching our target audience across all channels.

A second phase of advertising is planned for June/July 2015. It is envisaged that it will kick off with a 90 sec television spot in early June, followed with a mix of 60 sec and 30 sec spots over a four week period. It will be accompanied once again by a mix of

advertising on VOD, at cinemas, and poster sites.

The results for the year ended 31 March 2015 are contained in the Directors' Report.

Charles Reed

Chair
12 May 2015

The Directors present their report on the affairs of the Company together with the accounts and auditor's report for the year ended 31 March 2015.

Directors

The Directors who served during the year are:

- Charles Reed (Chair) ¹
- Ruth Holdaway ²
- Jennifer Crowl ³
- Peter Weiss ⁴
- Rona Chester ^{4 and 7}
- Tanya Joseph ^{4 and 7}
- Charles Johnston ^{5 and 7}
- Serena Jacobs ^{5 and 8}
- Erin Stephens ^{6 and 8}

The Company Secretary who served during the year was:

- Andrew Norman ⁸

¹ Appointed 3 October 2014

² Appointed 29 August 2014

³ Appointed 22 September 2014

⁴ Appointed 19 August 2014

⁵ Resigned 22 September 2014

⁶ Resigned 3 October 2014

⁷ Executive Directors of ESC

⁸ Officers of ESC

Registered address

First Floor, 21 Bloomsbury Street,
London WC1B 3HF.

Sole Member

The English Sports Council

Auditor

The Comptroller and Auditor General,
157 - 197 Buckingham Palace Road,
Victoria, London, SW1W 9SP

Financial review

The Company was dormant during the year ending 31 March 2014 with no assets or liabilities as it ceased trading in March 2012.

During the year the Company received £4.5 million of the £7.2 million Lottery grant from ESC which was used to buy media of £4.5 million (see note 4 to the accounts) including:

- £1.9 million television advertising
- £1.1 million for billboards, posters at bus shelters and tube stations
- £0.9 million digital advertising including social media and a YouTube takeover
- £0.5 million for cinema advertising.

£4k of the grant received was not spent by 31 March 2015, this has been deferred and will be spent in the next year (see note 8 to the accounts).

There is £0.2 million of invoices at 31 March 2015, supported by funds held by ESC on behalf of the Company (see note 11 to the accounts).

Charles Reed

Chair

12 May 2015

The Directors are responsible for preparing the annual report and accounts in accordance with applicable law and regulations.

Company law requires the Directors to prepare accounts for each financial year. Under that law the Directors have elected to prepare the accounts in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The accounts are required by law to give a true and fair view of the state of affairs of the Company at the year end and of the results of the Company for that year. In preparing those accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 2006.

The Directors are responsible for safeguarding the assets of the

Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that, in all material respects, the income and expenditure of the Company have been applied in furtherance of the Company's objectives and conform to the authorities that govern them.

Statement as to disclosure of information to auditors

The Directors who were in office on the date of approval of these accounts have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware.

Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

By Order of the Board

Charles Reed
Chair
12 May 2015

The certificate and report of the Comptroller and Auditor General to the members of English Sports Development Trust Limited

I certify that I have audited the financial statements of English Sports Development Trust Limited for the year ended 31 March 2015 under the Government Resources and Accounts Act 2000. The financial statements comprise the Statement of Comprehensive Net Income, Statement of Financial Position, Statement of Cash Flow, Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union.

Respective responsibilities of the directors and the auditor

As explained more fully in the Directors' Responsibilities section, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material

misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been

The certificate and report of the Comptroller and Auditor General to the members of English Sports Development Trust Limited

applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by European Union; and
- the financial statements have been prepared in accordance with the Companies Act 2006.

Emphasis of Matter

Without qualifying my opinion, I draw your attention to the disclosure in note 1.1 of the financial statements. Due to the anticipated ceasing of operation and dormancy of the English Sports Development Trust at the conclusion of the "This Girl Can" campaign in 2015, the financial statements have been prepared on a basis other than going concern.

Opinion on other matters

In my opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP
1 June 2015

Statement of comprehensive net income

	Note	2015 £'000	2014 £'000
Income			
Lottery grant received	2	4,451	-
Other income	3	23	-
Total		4,474	-
Expenditure			
Media planning and buying	4	4,451	-
Auditor's remuneration	5	5	-
Legal fees		18	-
Travel and expenses	6	-	-
Total		4,474	-
Net operating income for the year		-	-

There are no other items of comprehensive income or expenditure.

The notes on pages 11 to 14 form an integral part of these accounts.

Statement of financial position

Company number 4290188

	Note	2015 £'000	2014 £'000
Current assets			
Trade and other receivables	7	214	-
Total assets		214	-
Current liabilities			
Trade and other payables	8	214	-
Total liabilities		214	-
Assets less liabilities		-	-
Equity			
General reserve		-	-
Total		-	-

The accounts on pages 7 to 14 were approved by the Board of Directors and were signed on its behalf by:

Charles Reed

Chair
12 May 2015

The notes on pages 11 to 14 form an integral part of these accounts.

Statement of cash flow

	2015 £'000	2014 £'000
Net income before taxation	-	-
Increase in trade and other receivables	(214)	-
Increase in trade and other payables	214	-
Net cash flow from operating activities	-	-
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at 1 April	-	-
Cash and cash equivalents at 31 March	-	-

The notes on pages 11 to 14 form an integral part of these accounts.

Statement of changes in equity

	General Reserve £'000
Balance at 1 April 2013	-
Net operating income for the year	-
Balance at 31 March 2014	-
Net operating income for the year	-
Balance at 31 March 2015	-

The notes on pages 11 to 14 form an integral part of these accounts.

1 Statement of accounting policies

The accounts have been prepared under the historical cost convention and for the first time in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and the Companies Act 2006.

Previously the accounts were prepared in accordance with UK GAAP, however the transition to IFRS has not affected the Company's reported financial position, financial performance or cash flows.

The particular policies adopted by English Sports Development Trust Limited as set out and described below have been applied consistently to all periods presented in these accounts.

1.1 Going concern

The "This Girl Can" marketing campaign is expected to be completed by the end of 2015. At this point the Company will become dormant and will no longer be considered to be a going concern. Further details are set out in the Strategic report.

The Directors are of the opinion that no adjustments are necessary as a result of the accounts being prepared on a basis other than going concern.

1.2 Lottery grant

The Lottery revenue grant is credited to the Statement of comprehensive net income in the year in which the grant is receivable. The grant is intended to compensate for related costs incurred.

1.3 Expenditure

All expenditure is recognised in the year in which it is incurred.

1.4 Trade and other receivables/payables

Trade and other receivables/payables are recognised at fair value.

1.5 Dividends

The Company is prohibited by its Articles of Association from declaring a dividend.

1.6 Taxation

HMRC have agreed to treat the Company as dormant for corporation tax purposes due to its non-trading status.

2 Lottery grant received

	2015 £'000	2014 £'000
Lottery grant	4,451	-

The Lottery grant from ESC Lottery Fund is funding the media planning and buying for the women's marketing campaign "This Girl Can". The total value of the grant awarded is £7.2million the balance of which is expected to be received in the year to 31 March 2016.

3 Other income

	2015 £'000	2014 £'000
Costs recharged to ESC	23	-
Total	23	-

The costs recharged to ESC consists of legal and audit fees.

4 Media planning and buying

	2015 £'000	2014 £'000
Television advertising	1,873	-
Out of home advertising	1,091	-
Cinema advertising	480	-
Digital display - YouTube takeover	333	-
Digital biddable - Facebook, Twitter	504	-
Video on demand	90	-
Media planning	80	-
Total	4,451	-

5 Auditors remuneration

	2015 £'000	2014 £'000
Audit fees	5	-

The auditors have not received any remuneration for non-audit work during the year ending 31 March 2015. The audit fee for 2015 has been recharged to ESC and the £2,000 2014 fee was paid by ESC on the Company's behalf.

6 Staff Costs

The Company employed no staff in 2015 and 2014. ESC provides a financial and administrative service to the Company, under the terms of a service level agreement, for which no charge is made (note 11).

The Directors did not receive fees or allowances for the year except for the Chair who received £654 (2014: £nil). These fees were paid by ESC on the company's behalf.

7 Trade and other receivables

	Note	2015 £'000	2014 £'000
Accrued income		5	
English Sports Council	11	209	
Total		214	-

8 Trade and other payables

		2015 £'000	2014 £'000
Accruals		210	-
Deferred income		4	
Total		214	-

9 Value added tax

The Company is in a group VAT registration scheme with ESC and is jointly and severally liable for all group VAT liabilities. No VAT is charged on transactions between members of the VAT group.

10 Derivatives and other financial instruments

The Company relies entirely on the ESC Lottery fund grant to finance its operations. Other than trade receivables and trade payables that arise from its operations, it holds no financial instruments.

The Company performs all transactions in Sterling and therefore has no currency exchange risk. The Company does not enter into any forward foreign currency contracts or similar financial instruments.

The Company does not borrow money and therefore has no exposure to interest rate risk or liquidity risk in this regard. The Company does not enter into any interest rate swaps or similar financial instruments.

11 Related party transactions

The Company has a close working relationship with its parent body ESC. ESC

Lottery fund (note 2) is the Company's sole provider of funds enabling it to carry out its objectives. ESC provides a financial and administrative service to the Company for which no charge is made. The Company has no bank account and uses the bank account of ESC to receive Lottery funds which are ring-fenced for the payment of expenditure relating to the Company.

	2015 £'000	2014 £'000
Amount owing from ESC	209	-
Recharged income	23	-

12 Ultimate parent body

The results of the Company are consolidated in the accounts of ESC. The accounts of ESC Group are available from its registered office at First Floor, 21 Bloomsbury Street, London WC1B 3HF.

13 Post financial year-end events

The annual report and accounts were authorised for issue on the date of certification by the Comptroller and Auditor General

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